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Spy book tells how Russians riddled ASIO

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THE Russian intelligence service, KGB, successfully penetrated the Australian Security Intelligence Organisation, according to a book launched in Canberra yesterday.

The book claims that Russian infiltration of ASIO was the real reason behind the transfer of the organisation's director-general, Mr Peter Barbour, in 1975.

The author of the book, *The Secret State: Australia's Spy Industry*, is Richard Hall, a journalist and an adviser to several Federal Labor politicians.

It traces the history of Australia's spy forces and makes a series of revelations about the activities of our intelligence services.

Among claims made in the book are:

TIMOR DEATHS

THE Defence Department knew within hours that Indonesian troops killed five Australian newsmen in East Timor, but kept quiet.

AT LEAST 20 overseas spy agencies operate in Australia.

AUSTRALIA has, for many years, maintained a program of espionage against Japan, our biggest trading partner.

ASIO went "soft" on Croatian extremists in return for information the Croats supplied on KGB activities.

ASIO officials lobbied Liberal politicians to try to get legal action taken against former Labor Senator Lionel Murphy over his "raid" on ASIO headquarters in 1973.

THE former Australian Ambassador to Yugoslavia, Mr Malcolm Booker, resigned from the Department of Foreign Affairs because of the secret operations of ASIO in his embassy.

THE Queensland Premier, Mr Bjelke-Petersen, pressured the Prime Minister, Mr Fraser, to deport 44 Chilean migrants.

At a press conference to launch his book yesterday, Mr Hall said Australia's security agencies felt they were part of the international Anglo-Saxon intelligence club.

They saw their first duty as co-operating with that club rather than serving Australia's national interests.

Mr Hall said there had been no intelligent or informed debate on security and intelligence organisations in Australia.

"There has been a great deal of debate in the United States on this and it's a much healthier situation," he said.

"Here, because of secrecy and D notices, discussion up until now has been hampered."

He denied suggestions that publication of his book could have endangered Australia's security.

In the chapter dealing with KGB infiltration of ASIO, Mr Hall said the political world was surprised in 1975 by the announcement of Mr Peter Barbour's appointment as consul-general to New York and that he was to be replaced by Mr Justice Woodward.

"It was, however, a very odd business — there was more to it than met the eye," the book continues.

"Through a high-level source, the Brits, presumably MI6, complained direct to Whitlam that Barbour had breached security practice by taking a female secretary on an overseas trip — the mere taking of a woman secretary apparently being for some reason an offence against security.

"It was a strange story. Was taking your secretary overseas really a security risk which justified transfer?

Why didn't Malcolm Fraser, the new Opposition Leader, take the opportunity to attack the Whitlam Government over the reshuffle?

"The answer is that this version was an elaborate cover story: the real reason for Barbour's fall from grace and for his quiet acceptance of the New York posting was that the organisation over which he presided had been penetrated by the KGB.

"The complaint, attended by sufficient proof, came from Washington and was supported by London.

"Evidently the Americans and the British had known this for some time but had not trusted the normal channels of communications.

"When Mr Justice Hope visited Washington as part of his royal commission inquiry, he was informed orally of the penetration which was described as 'good'.

"The judge reported to Whitlam on his return and was sent on to brief Malcolm Fraser.

"The knowledge of the affair was restricted to the two politicians and a small group in the bureaucracy.

"Most members of ASIO still believe the cover story, as does most of official Canberra.

"The real version behind Barbour's demise has been an extraordinarily well-kept secret, as has been the fate of the KGB agent or agents."

The book maintains that Canberra is the centre of an intelligence industry "of considerable proportions."

It says: "There are identified intelligence officers of at least 20 countries operating in Australia, although some of them limit themselves to liaison functions."

"The British MI6 and MI5 maintain liaison officers in Canberra and also perform

"third country work," as do the Canadians. The New Zealanders have liaison officers.

"France maintains an SDECE officer in its embassy.

"The West Germans have a BfV man, most important for liaison on Croatian extremists.

"The Greeks and Italians maintain liaison.

"The two Yugoslav intelligence agencies are active.

"The Singapore special branch maintains liaison and has agents in the student community, as does Malaysia.

"In 1977, China had three identified intelligence experts on the diplomatic list.

"Indonesia maintains very close liaison with JIO (Joint Intelligence Organisation) and has agents both within the local Indonesian community and outside it.

"Japanese intelligence officers have been identified.

"From Eastern Europe (apart from the Russians), Czechoslovakia, East Germany and Hungary have identified intelligence officers.

The book reveals also a proposal from Western Australia to establish a directorate of public safety in the State because of the threat of terrorism.

Hall claims that an "extraordinary document" on the proposal was circulating among police and security men early this year.

"The document is melancholy evidence of how the exaggerated threat of terrorism has gripped some minds," the book says.

"It was prepared for the Western Australian Premier, Sir Charles Court, by his think-tank, which goes under the name of management development unit.

"The document justifies the establishment of a directorate on the grounds that 'the civil administration of Western Australia is not adequately equipped to guarantee the continuance of constitutional government and individual community safety in the face of predicted increasingly turbulent future contingencies.'

In a foreword to the book Hall writes that, until now there has been no sustained critical analysis of Australia's security and intelligence agencies.

"Discussion has been hampered by ignorance, timidity, prejudice and, most importantly, by the existence of a voluntary media censorship system — the D notices.

"In theory, whole chapters of this book, on the Australian secret intelligence service, defence signals division and our activities in economic intelligence against the Japanese cannot be directly referred to by radio, television or the news papers."

The West Australian Premier Sir Charles Court, last night described claims about the proposed directorate of public safety as "old hat, old news and nonsensical rubbish."

Sir Charles said the document on which the story was based was a confidential report submitted to him by Dr J. Skerrett, formerly of the Public Service Board's Executive Development Centre.